

Enterprise IT Financial Workgroup

Minutes

July 28, 2016

1:00 p.m.

Mitchell Building – Room 53

Members Present:

Kim Moog, DLI, Chair
Sue Daly, FWP
John Daugherty, COR
Jennifer Simmons, LEG
Tricia Greiberis, DNRC
Kreh Germaine, DNRC

Erica Johnston, DPHHS
Becky Buska, JUD
Jay Phillips, OPI
Jennie Stapp, MSL
Cindy Trimp, DOR

Staff Present:

Jennifer Schofield

Guests Present:

Drew Bisenius, FWP; Christina Briscoe, DOC; Sheri Vukasin, DPHHS; Nancy Jones, DLI; Matt Pugh, DOA

Real-time Communication:

Nate Thomas, DOJ; Tammy Peterson, JUD

Welcome and Introductions

Kim Moog welcomed the workgroup to the July 28, 2016 EITFW meeting. All members and guests were introduced.

Minutes

Jay Phillips motioned to approve the June 30, 2016 minutes as presented. John Daugherty seconded the motion. Motion carried unanimously.

Volume 10 Working Session

Volume 10 Query/Reporting

Kim Moog explained the workgroup discussion would be focused on Volume 10 query and reporting. Tricia Greiberis began by explaining that she has not had concerns balancing the operating side of the query. However, she did have concerns balancing the HR query. She believes period one is utilizing the payroll check date not pay period ending date. She reminded everyone that if they make a change to the pay journal it will not be reflected in this query.

Sheri Vukasin removed the non-budgeted items and the eight account codes that were not being counted in the query and was able to balance on the financials. The missing eight account codes are:

- 621B3 ITSD Web Hosting
- 621C1 ITSD Installation Services
- 621C9 ITSD GIS Services
- 622B2 ITSD Pass Through
- 623B13 NON-ITSD Pass-Through
- 623B3 ITSD Pass-Through NTSB
- 62556 ITSD Training Facilities
- 628761 ITSD Sponsored Training Services

Cindy Trimp ran the non-SITSD expenses and she did not get a reporting in period one.

Sheri explained that she will not see most SITSD expenses in period one because they do not run until period two.

Tricia explained that the bills do not come out until August. Therefore, she should have double in period two.

Cindy commented that she used the MOM's policy account codes to run her numbers.

Tricia discussed the solution for A-accruals. The A-accrual column should not be used. Agencies should use actuals column. Agencies will want to note any accruals paid.

Matt Pugh from SABHRS entered the meeting to discuss the questions regarding the query.

Sheri explained that DPHHS has a lot of costs in the missing SITSD codes, presented above. It appears the SITSD codes are not reported on any schedule.

Matt explained that in order to not double report, one schedule had to exclude SITSD accounts. There should be another schedule that incorporates the accounts.

Tricia explained the reporting concerns need to be address before OBPP pulls the information to create Volume 10.

Matt left the meeting to work on the concerns addressed.

Kim continued with the agenda to discuss Volume 10 and how it is presented to the legislature. Kim asked if a disclaimer should be incorporated on the report to explain any discrepancies. The disclaimer would explain why the agency IT spending is different than the query.

Jennifer Simons asked what date would she need to have the disclaimers written by?

Kim responded by September 2016.

Kreh Germaine explained that DNRC's water project employees have a cartographer that is being classified as an IT person. However, they are not located anywhere in their IT department or budget. They are dedicated to the water program. This is a point that should be addressed in the disclaimer. These costs are buried in program operations. Programs are using IT to fulfill their job duties. These expenses are tracked as IT but they are not expenses DNRC considers in their IT budget.

Jay Phillips commented that the disclaimer should address what agencies consider internal infrastructure as IT costs. A quarter of OPI's staff is listed in this snap shot. However, they are not classified as IT.

Kreh commented that agencies need to make sure that legislators understand IT expenditures support program operations of each agency. He is concerned the report will be used as a budgeting tool.

Jay emphasized that the legislature is focused on centralization of IT. The legislators may not use this report as a budgetary tool this year, but next year when they have something to compare our IT costs to they may start placing a cap on IT spending.

Kreh explained that programs are more efficient and effective when they can utilize IT. This may create a high expense in IT but it is not necessarily a bad thing. It means the programs leverage the tools available to them in the most effective way.

Kim noted that agencies should ensure they are talking about how they parlay the IT functions to make all processes more efficient. She believes this topic needs to be addressed in the executive budget. She explained that she thought all agencies were included in the DOA MOM policy creation that regulates the job code classification.

Jennifer Simmons commented that in the legislative branch, they use job codes differently. LEG requested that the position numbers be used in the query. She wondered if there are other ways to group agency positions.

Jay stated that OPI had the initial discussion with Ron explaining how they felt this was not going to be a true snapshot of IT costs. Due to those concerns the job codes were removed out of the MOM policy. A week later they were re-inserted. In addition, he commented that a disclaimer is good but OPI will most likely address these concerns the same way they did with the pay raise analysis that LFD created. That report included anyone who received a promotion internally as a pay raise.

Kim stated that this is the first time anyone has had to do this type of report. There will be some details that need to be adjusted for it to report correctly.

Erica Johnston asked if the EITFW is coming up with a standard disclaimer for the larger volume and then individual agencies can have their own disclaimers.

Kim explained that Volume 10 is arranged by each agency. Therefore, each agency will have their own report and disclaimer.

Sue Daly commented that she is concerned that FWP may look like an IT heavy agency because they have a centralized IT staff. This may make each agency's reports different. If this report confuses the legislators it will have a negative impact on agencies. Agencies will need to present this report in a way that makes sense to legislators.

Kreh commented that agencies need to focus on how IT is positively affecting Montana State citizens.

Agencies are offering better services to citizens due to the technology.

Jay explained a baseline disclaimer for all agencies should be a consistent statement that defines what the agency considers an IT expense.

Kim, requested that Jay draft a disclaimer of this nature.

Action Item: Jay Phillips will begin working on the overarching disclaimer. He will send it to Kim for review. John Daugherty commented that he believes there needs to be a standard template for each agency report. The reports should begin with whether their IT staff is centralized or decentralized. Then each agency should do the same thing with IT expenses.

Kim asked if everyone understands that BA authority is not part of Volume 10. The report may be slightly understated depending on how much BA authority you have.

Sheri asked what is considered base and non-base. She understands that BA is non-base. She asked what other types of authority are not considered base?

Kim explained that from her understanding it is HB 2, HB 10 and AA's if they are not in HB 2.

Matt Pugh returned to the meeting.

Matt explained that when HR is using check date. The query will pick up a payroll and a half at the beginning of the year and then drop it off at the end of the year.

Tricia stated there will be a difference in the numbers due to the fact that employees pay changes throughout the year. Payouts will throw things off, as well. The query is not matching with the fiscal year data.

Action Item: Matt Pugh will find out why the query is using check date and see if it can utilize pay period ending date instead.

Kim comment that if people on the operational side are doing fiscal year based on appropriation expenditures, then everyone should be doing the same thing on the personal services side. There is a discrepancy on how State HR financials work and SABHRS works.

Matt stated that he pulled the two trees for each report. He cannot find 623B13 on either tree. He did find 623B1, 623B2 and 623B4. The trees were built based on the policy.

Sheri commented that the MOM policy does not state specific SITSD accounts.

Matt explained the last three or four pages of the report should have the SITSD accounts.

Sheri commented that Mariann Huso stated the missing SITSD accounts were identified to be excluded. They are not payments made to SITSD but they did get added into agency costs. They should be included on the non-SITSD tree.

Action Item: Sheri Vukasin will provide the list of account codes that are not in the report to the group.

Action Item: Matt Pugh will find out why they are not included in the report. He will send that information to Kim for dissemination.

The meeting adjourned at 2:00 p.m.